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Nechako-Kitamaat
Development Fund Society

2015 – 2016
Annual Report

March 31, 2016

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NKDF Annual Report

nkdf

Nechako-Kitamaat
Development Fund Society

2015-2016 ANNUAL REPORT

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Report From The Chair

May 12, 2016

I wish to thank the Board of Directors for their commitment and support to NKDF over the past year.

I continue to be personally very proud of the recognition enjoyed by NKDF and of the many important projects we have helped bring about. It is heartwarming to continually to be told the value that communities see in the opportunity that we provide with this fund.

It is important to recognize that the NKDF Board of Directors has been busy in the recruiting department and that we are in the process of adding new directors from Kitamaat Village and Burns Lake, which will for the first time in a long time mean that we have a full slate of representatives. Thank you to all who helped with selecting and facilitating the appointment of new Directors.

During the 2015-2016 fiscal year the Board of Directors approved 13 projects totaling $499,396 in grant funding. This brings the total amount of funds granted since inception in 1999 to $9,361,405. The upcoming year will see another $500,000 made available to the communities in the investment area.

The Board can clearly see the importance and value of all the projects whether large or small and I would like to take this opportunity to thank the many community members who work so hard to bring the projects to successful conclusions.

Sincerely,

Wayne Salewski
Chairperson

1. Society Overview

A. Mandate

The Nechako-Kitamaat Development Fund (NKDF) Society's funding programs are designed to support sustainable economic activity in northern communities affected by the Kitimat-Kemano project and by the creation of the Nechako Reservoir. The NKDF Society spends the income from its long-term investments on programs and projects that meet each community's goals for economic development and community stability.

B. Background of the Fund

In 1997, the Government of British Columbia and Alcan Aluminum Limited each contributed $7.5 million to create the BC-Alcan Northern Development Fund. This BC-Alcan Agreement settled the legal issues between Alcan Aluminum Limited and the BC Government that arose from cancellation of the Kemano Completion Project. In January 1998 an advisory Board for the Northern Development Fund was formed. Its job was to advise the government on how the Fund should be run to stimulate economic growth. In April 1998, the legislature passed Bill 5, the "BC-Alcan Northern Development Fund Act." Enabled by this Act, and by the recommendations of the advisory Board, the NKDF Society was incorporated on August 18, 1999. The Minister of Jobs, Tourism and Skills Training appoints Board members to represent the communities of the Nechako-Kitamaat area.

C. Investment Area

The investment area for the NKDF is normally limited to those communities with evidence of impacts from the Nechako Reservoir and Kemano power project. We encourage applications from local governments and legally incorporated non-profit organizations serving the following communities:

Kitamaat Village	Village of Burns Lake	Nadleh Whut'en Band
Southside	Burns Lake Band	Fort Fraser
Nee Tahi Buhn Band	Lake Babine Nation	District of Vanderhoof
Cheslatta Carrier Nation	Stellat'en First Nation	Saik'uz First Nation
Skin Tyee Band	Village of Fraser Lake	

D. Guiding Principles of the Fund

COMMUNITY ECONOMIC DEVELOPMENT	The NKDF will invest in community economic development projects and/or programs that are supported by the community, as long as they do not subsidize private business.
JOB CREATION & ENHANCEMENT	Creating new jobs and enhancing existing jobs are priorities of the NKDF.
SUSTAINABLE EMPLOYMENT	A priority of the Fund will be to support long term employment - both full time and seasonal.
COMMUNITY INTERRELATIONSHIPS	The Fund recognizes the value of interrelationships between communities. Consideration will be given to proposals from within the Nechako Region Lakes District and Kitamaat Village if they demonstrate a benefit to those areas.
CLEAR AND ACCESSIBLE	The Fund will have policies and programs that are accessible with clearly defined evaluation criteria.
FIRST NATIONS' PARTICIPATION	First Nations' participation in the Fund will not prejudice the First Nation land claim process.
LOCAL CONTROL	The majority of NKDF Directors will reside in the investment area. The Board will determine the ongoing management of the Fund consistent with provincial government policy.
BENEFITTING FUND	The Fund is intended to create benefits through sustainable community economic development. It is not intended to be compensation for those who believe themselves to have been negatively affected by the Kitimat-Kemano Project, the creation of the Nechako Reservoir or the cancellation of the Kemano Completion Project.
COOPERATIVE VENTURES	The Fund can be utilized in cooperative ventures along with other funding sources.
NO DUPLICATION	The Fund will not duplicate but may augment existing economic development programs.

Of the original $15 million, $5 million was provided to NKDF to be used as a working fund to invest in projects and programs. The remaining $10 million of the original $15 million was placed into a legacy fund with the goal of investing and growing the fund to $15 million, and the income from the legacy fund to be used to fund NKDF projects into the future.

Fund investments are managed by the provincial government, through the British Columbia Investment Management Corporation, a provincial Crown Corporation. Monies of the Northern Development Fund—to be used in support of the programs of the NKDF Society—are in investment vehicles, which are generally conservative but which also provide some opportunities for growth.

E. Society Management

The NKDF Society is governed by a northern-based Board of government appointees who live in the investment area and represent a range of interests. Board seats during the past year were held by:

- Doris Fraser, Kitamaat Village
- Greg Goodwin, Province of BC
- Ray Klingspohn, Vanderhoof (Secretary/Treasurer)
- Kathie LaForge, Vanderhoof
- Jamie Neilson, Fraser Lake
- Lianne Olson, Rio Tinto
- Mike Robertson, Southside
- Wayne Salewski, Vanderhoof (Chair)
- Shelley Wall, Burns Lake

Management services are provided through a contract with Macrolink Action Plans Inc., based in Prince George, British Columbia.

F. Government Relations

Since the Society's incorporation in 1999, the provincial government has transferred $9.3 million from the Northern Development Fund to the NKDF Society for its operations and programs. The balance of the original $15 million remains under the control of the BC Investment Management Corporation. (See the attached financial statements for detailed balances of the Society's accounts.)

The NKDF Board of Directors reports to the Minister of Jobs, Tourism and Skills Training. The Minister is responsible for approving the Society's annual business plan and for appointing all Society Directors. This reporting relationship ensures that the Society's actions are in line with current provincial government priorities and direction.

2. Strategic Plan for 2016-2017

Background

The Northern Development Fund Act defines the purpose of the fund as follows:

1) The purpose of the fund is to promote sustainable economic development in Northwestern British Columbia.
2) Without limiting subsection (1), the fund may be used for the following:
   a. supporting investment in new or existing businesses;
   b. creating new employment or stabilizing existing employment;
   c. supporting other goals that are consistent with subsection (1) and that the minister considers desirable.

Strategies for 2016-2017

The Board will adopt the following strategies for the 2016-2017 fiscal.

1) To fund projects that address impacts most important to the communities.

2) To review applications expeditiously.
3) To give priority to projects that maximize economic benefits.
4) To canvas communities and organizations to solicit feedback and determine the effectiveness of NKDF programs and potential new initiatives.
5) To explore ways to target funding toward more diverse, collaborative, and regional projects.
6) To explore options to increase capital for NKDF programs.

3. Programs

A. Community Funding Program

The Society received a total of 15 new applications during the year and approved 13, totalling $499,396 for the entire investment area for the 2015-2016 fiscal year.[1]

The Board of Directors will continue to promote NKDF programs and increase the uptake in the smaller communities. While NKDF Society continues to benefit from increasing recognition throughout the investment area, Directors and Management will increase communications with local governments, businesses, and residents throughout the catchment area.

The Directors focus on safeguarding the fund by making informed decisions that maintain the highest value to all stakeholders of the BC/Alcan Northern Development Fund. Throughout the year, the Manager and Directors encourage feedback from all stakeholders and use the input to guide decisions and make improvements to the operation.

B. Community Legacy Fund Program

The Community Legacy was established in 1999, when $10 million of the Society's funds were invested to grow and provide funding for NKDF programs and projects in perpetuity. The Community Legacy Fund is currently held at the BC Investment Management Corporation and the fair market value at March 31, 2016 is $15,881,286.

This year, after careful consideration of the current and projected values of the fund, the Directors have decided to prioritize the following strategies:

1. Continue the objectives of maintaining the legacy fund at a minimum of $15 million and optimizing returns within the permissible risk threshold.
2. To structure the investments of the legacy fund to produce a minimum of $500k each year for community grants.
3. Reinvest any unused funds and slippage rather than rolling them into the following year's budget.

[1] Detailed descriptions of all 2015-2016 approved projects are in section 4.

4. Funding Details

The Society approved $499,396 in new projects this year, bringing the total approved funding to $9,361,405 since inception. The following table shows statistics for all years since the inception of the fund.

Year	Proposals Received	Proposals Approved[1]	Proposals Not Approved	Total $ Committed	Total $ Paid
2015-2016	15	13	2	$499,396	$351,127
2014-2015	23	17	6	$531,005	$467,855
2013-2014	34	30	4	$552,847	$439,988
2012-2013	15	11	4	$513,364	$523,416
2011-2012	24	21	3	$401,639	$391,705
2010-2011	27	21	6	$553,903	$502,315
2009-2010	27	20	7	$726,396	$577,257
2008-2009	23	17	6	$716,580	$594,865
2007-2008	34	26	8	$730,517	$648,262
2006-2007	24	17	7	$600,000	$1,173,343
2005-2006	24	19	5	$623,169	$605,151
2004-2005	24	20	4	$599,850	$518,050
2003-2004	45	31	14	$1,172,097	$484,719
2002-2003	8	7	1	$94,195	$234,889
2001-2002	20	11	9	$316,741	$245,630
2000-2001	13	6	7	$137,534	$149,004
1999-2000	6	5	1	$48,021	$25,000
Total	391	296	95	$9,361,405	$7,982,237

The following table summarizes proposals not approved during this fiscal year:

Project	Date	Requested	Reason for Decline
Signage Strategy	2015-03-15	$20,000.00	Tabled to seek other sources of funding
Post Education Feasibility	2015-12-08	$20,000.00	High budget costs, lack of support letters

A. *Economic Impacts 2015-2016*

Number of Projects	Based on projects approved during 2015-2016 fiscal	13
Total Amount Approved	During 2015-2016 fiscal year	$499,396
Funds Leveraged	In addition to the NKDF funding	$2,599,130

[1] The high rate of approved projects is due in part to the fact that project concepts are pre-screened to ensure they fit the NKDF mandate prior to accepting applications.

In-Kind Leveraged	In addition to the NRDF funding	$18,750
Direct, Short Term Jobs	As projected by funding recipients at application stage	21
Full Time Sustainable Jobs	As projected by funding recipients at application stage	5

Notes:
- Not included are dollars brought into the communities via visitor expenditures
- The jobs figures are based on estimates made by recipients at the application stage
- Downstream or spin-off jobs are not included in this table.

5. Projects Summary

The following table summarizes the projects approved and/or in progress during the 2015-2016 fiscal year. Brief descriptions of each project follow.

Recipient	Project	Approved	Approval	Payment
BC Forage Council	Innovative Forage Production	15,000	2014	33%
Burns Lake & District Chamber	Trails Brochure	8,000	2013	100%
Burns Lake Mountain Bike Association	Bear Mountain Trail	76,000	2014	100%
Burns Lake Mountain Bike Association	Bear Mountain 2015 Wetmore	125,000	2015	33%
Decker Lake Recreation Commission	Freshen and Finish	11,181	2015	33%
District of Vanderhoof	Aquatic Centre	100,000	2015	3%
District of Vanderhoof	Friendship Centre Reno	30,000	2014	100%
District of Vanderhoof	Greenhouse Feasibility Study	1,500	2015	3%
District of Vanderhoof	Housing Needs Study	5,000	2013	100%
District of Vanderhoof	NVSS Music Program	15,000	2015	3%
District of Vanderhoof	Recreation Centre Upgrade	110,000	2014	33%
Lakes District Airport Society	Baker Airport Runway Rehabilitation	100,000	2015	3%
Lakes District Fall Fair Association	Parking/Washroom Upgrade	26,222	2015	100%
Lakes District Fall Fair Association	Parking Lot Upgrade	23,000	2014	100%
Lakes Outdoor Recreation Society	Recreation Site Accessibility	5,650	2014	100%
Nechako Valley Search and Rescue	Training Facility Renovation	51,678	2015	100%
Nechako Valley Sporting Association	Lighting Upgrade	35,000	2015	100%
NRDF	Grassroots Development Project 2015-2016	15,000	2015	40%
Regional District Bulkley-Nechako	Investment Readiness Action Plan	12,000	2015	3%
Regional District Bulkley-Nechako	Research and Signage	20,000	2015	3%
Rose Lake Community Club	Renovation and Upgrade	11,200	2015	33%
Saik'uz First Nation	Indian Residential School Commemorative Park	40,000	2015	3%
Southside Economic Development Association	Highway 16 Billboard	3,750	2012	60%
Southside Economic Development Association	Roads Already Travelled	5,000	2014	33%
Southside Health and Wellness	Centre Upgrade	7,960	2015	33%
St. Luke's Church on the Lake	Restoration Project	15,000	2015	100%
Tweedsmuir Cavaliers	Parking for Pixies	14,000	2014	100%

Tweedsmuir Recreation Commission	Witness Hall Upgrade	$1,000	2018	100%
Village of Burns Lake	Community Park Replacement	$10,000	2018	0%
Village of Burns Lake	Downtown Revitalization Phase 2a	$1,000	2018	50%
Village of Burns Lake	Information Kiosk Phase 2	$1,000	2018	50%
Village of Fraser Lake	Festival of the Arts	$1,000	2018	100%
Village of Fraser Lake	Mural Re-Illustrate	$5,000	2018	50%

Notes:
- Columns 3 figures are based on approved amounts
- Projects indicating 100% payment have been completed during the fiscal

6. Project Descriptions Sorted by Location (East to West)

A. Vanderhoof Projects

Aquatic Centre — $100,000

District of Vanderhoof

This approval is for the District of Vanderhoof to undertake the detailing of architectural and construction drawings for the proposed Vanderhoof Regional Aquatic Centre.

Friendship Centre Reno — $25,000

District of Vanderhoof

The District of Vanderhoof has partnered with the Seniors Friendship Club in order to renovate the Seniors Friendship Centre. The purpose of this renovation is to upgrade the Centre's washrooms to be Senior friendly, expand the main hall width, replace entryway flooring, and upgrade the sound system.

Greenhouse Feasibility Study — $7,000

District of Vanderhoof

With this funding, the District of Vanderhoof in partnership with School District 91 will conduct a feasibility study to determine the viability of building a production greenhouse at Nechako Valley Secondary School.

Housing Needs and Demand Study $50,000

Purpose of Investment

This approach is for the District of Hazlehead to undertake the completion of a Housing Needs and Demand Study to understand the gaps between the existing supply and demand for accessible, adequate and affordable housing in the municipality to meet the needs of the full housing continuum and support continued population growth and sustainability within the community.

Grade Music Programs $10,000

Purpose of Investment

This funding is to go towards the purchase of musical instruments for Hazlehaven Valley Secondary School.

Recreation Centre Upgrade $110,000

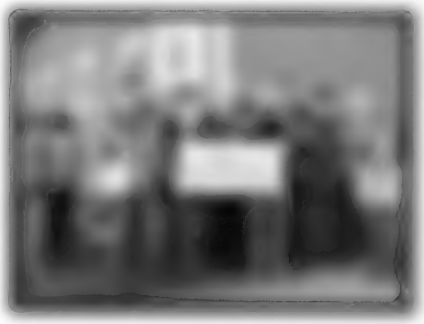
Purpose of Investment

The District of Hazlehead will renovate a currently empty building to house the Recreation Department.

Training Facility Renovations $51,470

Hazlehaven Valley Search and Rescue

Hazlehaven Valley Search and Rescue Society (HVSAR) is a volunteer organization working with a variety of stakeholders under Emergency Management BC to provide search, rescue, and recovery services in the Hazlehaven area. With this funding, HVSAR will renovate an existing building and create a SAR training facility, office space, and equipment storage area, all in the same location.



Lighting Upgrade $15,000

Hazlehaven Valley Sporting Association

Hazlehaven Valley Sporting Association plans to update the lighting system along the ski and recreation trails system at the Hazlehaven Valley Sporting Association Club grounds.

Outdoor Classroom School Commemorative Park $35,000

Built up Area Station

Built up Area Station proposes to build a park that will commemorate survivors and their families of those who attended Indian Residential Schools.

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Parking Lot Upgrade — $23,995

Lakes District Fall Fair Association

The annual Lakes District Fall Fair and Music Festival is held the second weekend in September at the Eagle Creek Recreation Site. This event has continually grown and is facing challenges meeting the parking needs of visitors, participants, and volunteers. With this funding Lakes District Fall Fair Association will level and gravel the existing parking area, develop an area for increased parking, and treat the parking area for Noxious Weeds and Invasive Plants.

Recreation Site Accessibility — $6,600

Lakes Outdoor Recreation Society

Lakes Outdoor Recreation Society (LORS) maintains 20 recreation sites and has recently completed an audit of the site and determined that there exists a lack of accessibility for people with mobility restrictions. This project will replace aging outhouses and picnic tables with infrastructure that is accessible for people with mobility restrictions.

Renovation and Upgrade — $11,255

Ross Lake Community Club

The Ross Lake Community Club will utilize funds to renovate, expand, and upgrade the Club including construction of a new storage addition, purchase a new banquet, and a PA system.

Highway 16 Billboard — $3,750

Southside Economic Development Association

Southside Economic Development Association (SEDA) plans to erect a Billboard on Highway 16 to promote tourism and attract more tourists to the Southside.

Roads Already Traveled — $6,000

Southside Economic Development Association

Southside Economic Development Association (SEDA) proposes to identify and map an existing network of trails and identify those that connect various tourism industry businesses and points of interest. Historical background and use of the trails will be researched. This phase of the project seeks to do the groundwork of identifying the trails of most value and digitizing the information, creating a foundation that future phases of the project can build on.

Centre Upgrade — $7,960

Southside Health and Wellness

With this grant, the Southside Health and Wellness Centre will be upgraded to better utilize the space available so that any provider can use any of the available rooms.

Restoration Project — $15,000

St. Luke's Church on the Lake

The focus of this group is to preserve a piece of northern rural history that is sustained through promoting Cultural & Historical Tourism, Community Events, Fundraising, and Rentals. With this project, St. Luke's Church on the Lake will repair the foundation, windows, doors and roof of St. Luke's Church on the Lake.

Parking for Ponies — $14,000

Tweedsmuir Cavaliers

Tweedsmuir Cavaliers Saddle Club will expand the parking area at the Saddle Club Arena, purchase additional panels and gates in order to accommodate the 'parking of the horses' during events as well as overnight for multi-day events and purchase a set of bleachers for spectators.

Wistaria Hall Upgrade **$40,000**

Tweedsmuir Recreation Commission

Wistaria and the surrounding communities are hailed by many as being most impacted by Kemano and the flooding. The Wisteria Community Hall facility is used year round for events such as Christmas Concerts, Canada Day Celebrations, and the Ootsa Lake Fishing Derby. The facility also holds historical significance for the community. The Tweedsmuir Commission believes it is in danger of completely losing the Hall if the proposed improvements are not made soon. The proponent claims that this project will benefit the communities of Wistaria, Streatham, Ootsa Lake, and East Ootsa as well as the neighbouring communities of Noralee, Takysie Lake, Grassy Plains, and Southbank. The proponent seeks ways to upgrade or replace the hall.

Ammonia Plant Replacement **$100,000**

Village of Burns Lake

With this funding, the Village of Burns Lake will replace the current Ammonia Plant at the arena with a new Freon Plant.

Downtown Revitalization Phase 2A **$25,000**

Village of Burns Lake

The Village of Burns Lake, working with the Downtown Revitalization Committee and building on the success of phase 1, will develop the former Shell service station Brownfield site in downtown Burns Lake. The converted site will feature picnic tables, an information kiosk, bicycle storage rack, pull through parking suitable for large recreation vehicles, transport trucks or passenger vehicles, lighting, and landscaping.

Information Kiosk Phase II **$3,960**

Village of Burns Lake

The goal of the project is to increase tourist awareness of the Burns Lake and Lakes District Area by replacing existing signage that is out of date and falling into disrepair, including erecting new signage at the Visitor Information Centre.

D. Kitamaat Projects

No projects during this fiscal year.

E. Regional Projects

Innovative Forage Production — $15,000

BC Forage Council

With this project BC Forage Council will address a number of on-farm adaptations focused on producing high quality forage under variable climatic conditions. Through the development of a weather station network within the production area, the evaluation of production techniques, and the creation of a manual for conducting on-farm trials, this project seeks to increase the information and management options available to producers as well as provide for the long-term ability to respond to changes in growing conditions.

Grassroots Development Project 2015-2016 — $10,000

Nechako-Kitamaat Development Fund Society

The purpose of the Grassroots Economic Development Opportunities Fund is to enable NKDF to facilitate project development at the community level while leveraging funding from outside the investment area. The idea behind this concept is to have funds available to assist constituents or applicants to turn their project ideas into living projects. The Grassroots Development funding is to assist applicants with locating potential funding agencies for projects and broader economic development related projects such as making training available that might not otherwise be offered in the communities in the NKDF investment area.

Research and Signage — $20,000

Regional District of Bulkley- Nechako

Regional District of Bulkley-Nechako (RDBN) plans to support the development of the tourism industry by designing and creating a regional activity brochure, enhancing the website, tourism tradeshow displays, and print advertising.

Investment Readiness Action Plan — $12,000

Regional District of Bulkley- Nechako

The objectives for this project include the identification of target markets, attraction of investors and new business, as well as increasing revenue in key sectors within the region.

7. Financial Highlights at March 31, 2016

Income and Expenses	Actual 2015-2016	Budgeted 2016-2017
Administration Expenses	$97,985	$104,513
Funding Payments	$349,949	$495,592
Investment Income	$ 84,254	$100,105

Note to grants: The Society approved a total of $499,396 in new funding for the year.

Note to investment income: NKDF investments are held at Integris Credit Union in Vanderhoof and with Phillips Hager and North (PHN).

Account Balances as of March 31, 2016	
Cash and Term Deposits – Administration	$18,016
Cash and Term Deposits – Funding	383,170
Short Term Investments	1,598,499
Accrued Interest & Receivables	2,417
Minus accounts payable	(3,781)
Net Financial Assets	1,998,321
Less Funding Commitments Outstanding	(567,814)
Total NKDF Net Assets Less Funding Commitments	**$1,430,507**

Combined assets: The balance of the original $15 million dollar contributions from Rio Tinto and the BC Government are held in the Northern Development Fund, managed by the British Columbia Investment Management Corporation. The market value of this investment account as of March 31, 2016 was $15,881,286.

Annual Audit: The annual audit of the NKDF was completed in May 2016 by Edmison-Mehr Chartered Accountants (Smithers). The audited statements are attached.

NECHAKO-KITAMAAT DEVELOPMENT FUND SOCIETY

FINANCIAL STATEMENTS

MARCH 31, 2016

NECHAKO-KITAMAAT DEVELOPMENT FUND SOCIETY

FINANCIAL STATEMENTS

MARCH 31, 2016

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EDMISON MEHR
CHARTERED PROFESSIONAL ACCOUNTANTS

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Partners:
BRIAN B. EDMISON, B.A., CPA, CA
MICHAEL B. MEHR, B.Comm, CPA, CA
JEANNE M. MACNEIL, B.Comm, CPA, CA

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Nechako-Kitamaat Development Fund Society
Prince George, BC

We have audited the accompanying financial statements of Nechako-Kitamaat Development Fund Society, which comprise the Consolidated Statement of Financial Position as at March 31, 2016, and the Consolidated Statements of Operations and Changes to Operating Fund Balance, Remeasurement Gains and Losses, and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nechako-Kitamaat Development Fund Society as at March 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Edmison Mehr

Smithers, BC
May 12, 2016

Edmison Mehr

NECHAKO-KITAMAAT DEVELOPMENT FUND SOCIETY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016

	2016	2015
FINANCIAL ASSETS		
Cash - administration fund	$ 18,016	$ 15,010
Cash -grant fund	381,170	325,352
Short term investments, Note 3	1,598,699	1,658,468
GST receivable	3,417	3,448
	2,001,302	2,002,278
LIABILITIES		
Accounts payable	3,781	3,778
NET FINANCIAL ASSETS	1,997,521	1,997,499
COMMITMENT (Total $907,234), Note 6		
NON FINANCIAL ASSETS	-	-
ACCUMULATED SURPLUS	$ 1,997,521	$ 1,997,499
ACCUMULATED SURPLUS IS COMPRISED OF:		
Accumulated operating	$ 1,895,660	$ 1,799,650
Accumulated remeasurement gains and losses	101,861	197,849
	$ 1,997,521	$ 1,997,499

APPROVAL OF THE BOARD:

_____ Director

_____ Director

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6. FINANCIAL RISK TO FINANCIAL INSTRUMENTS

The significant financial risks to which the Society is exposed include the following:

Credit risk
Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Society to a concentration of credit risk consist primarily of cash and short term investments. The Society limits its exposure to credit loss from its cash by placing its cash with major Canadian financial institutions. The Society's maximum exposure to credit risk for short term investments are the amounts disclosed in the Statement of Financial Position.

Fair value
The Society estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of these instruments. For short term investments, the classes of the investments, as outlined in Note 5, are held in active markets with publicly available trading values. The Society's maximum exposure to fair value risk for short term investments are the amounts disclosed in the Statement of Financial Position.

Liquidity Risk
Liquidity risk is the risk that the Society will not be able to meet its financial obligations as they fall due. The Society's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash or have an available credit facility to meet its liquidity requirements in the short and long term.

As at March 31, 2016, the Society had cash of $401,186 (March 31, 2015 – $340,362) to settle current liabilities of $3,780 (March 31, 2015 – $3,781). Management believes that liquidity risk for financial instruments is minimal.

Market risk
Market risk incorporates a range of risks. Movement in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Society is exposed to these risks. The Society mitigates these risks by the diversity of its short term investment classes as disclosed in Note 5.

Foreign currency risk
The Society is exposed to currency risk with respect to the US and other international equity funds amounts as disclosed in Note 5.

Interest rate risk
The Society is exposed to interest rate risk to the extent that the cash and money market funds maintained are subject to a floating rate of interest. The interest rate risk on cash and money market funds is not considered significant. Management believes that interest rate risk for cash and money market funds is minimal.

7. BUDGET

The budget amounts correspond to Appendix 'A' of the 2015/16 Business Plan.

6. COMMITMENT

The Society is committed, provided the recipients fulfill the requirements of the funding agreements, to provide grants totaling $607,234 subsequent to March 31, 2016. It is Society's intent that these commitments will be funded fully from the surplus position at March 31, 2016.

	2016	2015
Decker Lake Recreation Commission - Freedom and Finish	$ 5,591	$ -
Rose Lake Community Club - Renovation and Upgrade	5,628	-
Village of Fraser Lake - Move the Museum	50,000	-
Southside Economic Development Assn - Highway 16 Billboard	375	375
Southside Health and Wellness - Centre Upgrade	2,035	-
Village of Burns Lake - Ammonia Plant Replacement	100,000	-
Burns Lake and District Chamber of Commerce - Trails Brochure	-	4,625
Burns Lake Mountain Bike Association - Boer Mountain Trail	-	7,454
District of Vanderhoof - NVSS Music Program	15,000	-
District of Vanderhoof - Aquatic Centre	100,000	-
District of Vanderhoof - Housing Needs Study	-	2,500
Tweedsmuir Recreation Commission - Wistaria Hall Upgrade	-	40,000
Village of Burns Lake - Downtown Revitalization Phase 2A	12,500	12,500
Southside Economic Development Assn - Roads Already Travelled	3,000	2,635
District of Vanderhoof - Heritage Restoration	-	3,000
BC Forage Council - Production	7,500	7,500
Tweedsmuir Cavaliers - Parking for Ponies	-	7,000
Lakes District Fall Fair Assn - Parking Lot Upgrade	-	11,998
Lakes District Outdoor Rec Society - Rec Site Accessibility	-	3,325
District of Vanderhoof - Friendship Centre Renovation	-	15,000
Village of Burns Lake - Information Kiosk Phase II	2,010	2,010
Burns Lake & District Chamber of Commerce - Marketing Photography	-	3,500
District of Vanderhoof - Recreation Centre Upgrade	55,000	55,000
Lakes District Fall Fair Assn - Parking/Washroom	-	26,222
Nechako Valley Sporting Association - Lighting Upgrade	-	35,000
St. Lukes Church on the Lake - Restoration Project	-	15,000
Saik'uz First Nation - IRS Commemorative Park	40,000	40,000
Nechako Valley Search & Rescue - Training Facility Renovation	-	61,678
Burns Lake Mountain Biking Assn - Boer Mountain 2015 Westside	62,500	125,000
Grassroots Development - NKDF	6,595	-
Lakes District Airport Society - Runway Rehabilitation	100,000	-
District of Vanderhoof Greenhouse Feasibility Study	7,500	-
Regional District of Bulkley Nechako - Research & Signage	20,000	-
Regional District of Bulkley Nechako - Investment Readiness Plan	17,000	-
	$ 607,234	$ 481,352